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SUBJECT: GOJ REQUESTS INCREASE IN "BASE-LINE" ECONOMIC ASSISTANCE

REF: AMMAN 865

¶1. (SBU) Jordanian Minister of Planning Suhair Al-Ali presented Ambassador May 18 with a paper, approved by Prime Minister Bakhit, conveying the GOJ's request that the USG increase economic support fund (ESF) assistance for Jordan to \$450 million in each fiscal year 2007, 2008, and 2009. (Note: regular appropriations for Jordan ESF, exclusive of supplementals, were \$250 million in fiscal years 2002 through 2006.) Post forwarded the paper by e-mail to NEA/ELA.

¶2. (SBU) In the paper, the GOJ expresses appreciation for ongoing American assistance, and links continued reform and stability to higher assistance levels, arguing that Jordan finds itself in a qualitatively more difficult economic and security situation due to high oil prices, the November 2005 Amman hotel suicide bombings, the situation in the Palestinian territories, and the violence in Iraq. The paper provides detailed statistics in support of an argument that Jordan faces alarming fiscal and balance-of-payments situations. It outlines Jordan's plans to use any additional resources, emphasizing support for an end to consumer subsidies, enhancing education, infrastructure development, and other priorities outlined in the GOJ's National Agenda (reftel).

¶3. (SBU) Post understands Jordanian Ambassador Karim Kwar, who has been making the GOJ's case for increased ESF, asked Al-Ali to prepare the paper, and plans to use it both with the Administration and on the Hill.

¶4. (U) In post's view the GOJ would make good use of any additional economic assistance, as it has with past support.

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